



## Together for responsibility >

For us at EnBW and for all of our suppliers, doing business together means sharing responsibility. We expect our suppliers to be guided by the same values and principles as we are. Read on to find out more.

# Supplier Code of Conduct for business partners of EnBW

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## **1. OUR APPROACH ON SUSTAINABILITY**

### **1.1 Our aspiration**

We aim to conduct all our business activities in a responsible manner and to create economic, ecological and social benefits. For our customers, shareholders, employees, business partners and society at large - today and in the future.

We are aware that there are negative effects on people and on the environment throughout EnBW's entire supply chain. We endeavour to limit these effects and, together with our partners, to fulfil our responsibility. We therefore incur obligations that arise from this responsibility for us and our business partners.

In doing so, we act in accordance with the United Nations (UN) Global Compact, the UN's guiding principles for business and human rights, and the Paris Climate Change Convention. These and other internationally recognized standards form the basis of the following principles of conduct. An overview and explanation of the guidelines and standards to which we refer can be found in the Appendix.

### **1.2 Values and cooperation**

Trustful and stable relationships with our business partners are an essential component of our success. This Supplier Code of Conduct is an expression of the fact that our cooperation with business partners is based on shared values. We want to create a binding framework for these values, because lawful and responsible conduct is of central importance for our corporate success and the trust of our customers.

When selecting, assessing and supporting new and existing business partners, business ethics, integrity, acting in accordance with the law, compliance with labour standards and environmental protection are of great importance to us in addition to economic criteria. The Supplier Code of Conduct reflects this understanding of good business practice. To this end, it sets binding minimum requirements for social and environmental standards for our business partners.

At the same time, we are convinced that we cannot solve the ecological and social challenges of our time on our own. We therefore seek dialogue on the subject of sustainability with all stakeholder groups and especially with our business partners. Their expertise and commitment make an important contribution to achieve even more sustainability in our own activities. The Supplier Code of Conduct is meant to serve as a basis for jointly and continuously pursuing this goal.

## **2. PRINCIPLES OF THE SUPPLIER CODE OF CONDUCT**

### **2.1 Scope of application**

For the purposes of this Supplier Code of Conduct, the definition of business partners includes all companies not belonging to the EnBW Group from which EnBW purchases goods and

services.<sup>1</sup> Our Supplier Code of Conduct forms the basis of our business relations and is therefore a binding part of the contracts with our business partners. We expect our business partners not only to follow the principles of this Supplier Code of Conduct themselves, but also to communicate them to their suppliers and business partners and to take reasonable measures to ensure that suppliers and subcontractors adhere to these principles.

## **2.2 Communication**

To ensure that the principles of this Supplier Code of Conduct are put into practice, we expect our business partners to make the Supplier Code of Conduct available to all employees through appropriate channels.

In addition, we expect the business partners to establish or participate in an effective complaint mechanism for individuals and groups that may be affected by negative impacts.

## **2.3 Compliance with laws**

Compliance with all applicable laws and regulations of the countries in which we operate is a matter of course for us. We expect the same from our business partners.

If national or local legislation deviates from the requirements of this Supplier Code of Conduct, the stricter regulations for the protection of people and nature must always be followed.

# **3. SOCIAL STANDARDS AND HUMAN RIGHTS**

For EnBW, the compliance with human rights as well as good and safe working conditions are absolute basic conditions for responsible business management. Together with our business partners, we assume responsibility for the protection of the employees in our entire value chain and the associated communities.

## **3.1 Health and safety at work**

The business partner commits himself to protect the health and safety of his employees. For all work in and on EnBW plants or construction sites, we have set out these requirements in detail and comprehensively in the "Additional Occupational Health and Safety Conditions of Supply".

Furthermore, the business partner is obliged to regularly assess hazards and potential health risks, to take the necessary protective measures and to document both in a risk assessment. Thereby, the principles of an occupational health and safety management system shall be taken into account: Hazards are to be avoided as far as possible and, where this is not possible, protective measures need to be taken and employees need to be instructed accordingly.

## **3.2 Prevention of child labour**

The national laws setting the minimum age for employment in the country of operation must be adhered to. Young employees must not be subject to compulsory education in any circumstance. This must be ensured by robust age verification measures before the start of the employment relationship.

Approved on-the-job training programmes that comply with all laws and regulations are strongly encouraged. However, employees under the age of 18 are subject to special

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<sup>1</sup> EnBW Energie Baden-Württemberg AG, as well as for all controlled companies of EnBW AG, with the exception of raw materials procurement (<https://www.enbw.com/unternehmen/nachhaltigkeit/verantwortungsvolle-kohlebeschaffung/>)

protection. Dangerous work and work that has a negative impact on their health, safety or development is therefore prohibited.

### **3.3 Prevention of forced labour**

All work must be done on a voluntary basis. Business partners must not engage in, participate in or benefit from forced labour, modern slavery or work carried out under threat of punishment or coercion. Debt bondage or involuntary prison labour must not be used.

### **3.4 Equal opportunities and non-discrimination**

Employees are to be treated fairly and with respect. Therefore, no form of direct or indirect discrimination in the workplace that is contrary to the idea of equal opportunities and equal treatment will be tolerated. In particular, gender, race, religion, age, family relationships, sexuality, origin or membership of an employee representative body must not be a reason for differentiation, exclusion or preferential treatment at the workplace.

### **3.5 Remuneration**

The remuneration of the employees must at least correspond to the national minimum wage. Where there are no statutory or collectively agreed regulations, remuneration is based on the industry-specific, local and collectively agreed remuneration. Thereby, it must be ensured that the wages paid for a standard week are sufficient to cover the basic needs of employees and their families.

### **3.6 Compliance with working hours**

Working hours may not habitually exceed 60 hours per week including overtime. Overtime must be voluntary.

Sufficient breaks and rest periods in accordance with laws, industry standards or collective agreements must be ensured. This includes at least one day off per working week. If an exception is made to this rule for special reasons, the employee must be granted an appropriate number of substitute rest days within a reasonable period of time. The conditions of cooperation including working hours and remuneration must be known to every employee - usually in the form of a written employment contract.

### **3.7 Appropriate disciplinary measures**

Disciplinary action must in no way diminish the dignity and rights of employees and must be in accordance with applicable law. Humiliating treatment, corporal punishment, and psychological or physical coercion are not permitted. Basically, disciplinary measures must be recorded in writing. In addition, they must be explained orally to employees in clear and understandable terms.

### **3.8 Freedom of association and right to collective bargaining**

The business partner respects the right of his employees to freedom of association and collective bargaining in accordance with national laws. Employees or their representatives should be able to communicate openly and without fear of discrimination or reprisals with management and to express their ideas and concerns regarding working conditions. This also applies in countries where the right to freedom of association and collective bargaining is restricted.

### **3.9 Complaints from employees**

The business partner ensures that his employees have the opportunity to report their concerns and complaints confidentially. The handling of internal complaints should be systematic and comprehensible and should be documented. The business partner shall inform EnBW autonomously about complaints that are relevant for the collaboration with EnBW.

### **3.10 Special duty of care for conflict minerals**

The business partner commits himself to exercise special care in the procurement of tin, tungsten, tantalum and gold, as well as other raw materials such as cobalt from conflict and high-risk areas, in accordance with the OECD Guidelines for the Promotion of Responsible Supply Chains for Conflict Minerals.

### **3.11 Protection of indigenous population**

In case that the business partner's activities could adversely affect the land rights, culture, customs and religion of indigenous people, these must be respected.

## **4. ENVIRONMENTAL STANDARDS**

The protection of the environment is a central task for EnBW and its business partners. Accordingly, we are jointly committed to use resources efficiently and responsibly, avoiding damage and reducing the emission of climate-damaging gases.

### **4.1 Environmental legislation**

All laws, regulations and standards for the protection of natural resources and the environment must be complied with. In addition, the business partner has to obtain all necessary permits and licenses and has to comply with the conditions and ancillary provisions of these permits and licenses.

### **4.2 Environmental management systems**

The business partner commits to continuously minimise environmental pollution and risks as well as the consumption of resources. Business partners shall systematically pursue these goals and be able to demonstrate this through a certified environmental management system. This applies in particular to business partners with own production sites.

If the business partner does not have a certified environmental management system, a responsible person should be named who is in charge of the implementation of environmental objectives and programmes within the business partner.

### **4.3 Handling of hazardous substances**

To protect employees and the environment, the business partner ensures that hazardous substances and chemicals are safely procured, stored, used and disposed. Employees must be instructed regularly accordingly. Where possible, hazardous substances should be replaced by less hazardous substances. The business partner shall check this continuously.

### **4.4 Reduction of resource use**

The use of production materials must be minimised, and processes must be continuously worked on in order to optimise them. The use of resource-saving technologies is an essential key to this. Resources should be used efficiently, and material cycles should be closed as far as possible. Waste that cannot be avoided must be recycled adequately.

#### **4.5 Climate protection and reduction of pollutants**

The business partner commits to continuously reduce climate-damaging emissions. In order to pursue this in a comprehensible and transparent manner, clear CO<sub>2</sub> reduction targets based on the business partner's carbon footprint should be formulated and documented. This CO<sub>2</sub> balance should at least include the business partner's own direct emissions (Scope 1) and indirect emissions (Scope 2). The business partner should participate in the development and application of climate-friendly products and processes in order to contribute to the reduction of greenhouse gas emissions.

Other harmful emissions to air, water or soil must also be prevented or reduced as far as possible.

### **5. COMPLIANCE AND FAIR COOPERATION**

Honesty, fairness and integrity guide our actions. We expect the same from our business partners.

#### **5.1 Business integrity and compliance measures**

The business partner shall ensure to have in place an effective system to prevent in particular corruption, antitrust violations, money laundering and economic offences, and that this system is suitable to take precautions for employees to act in accordance with the rules. This system is based on a risk assessment of the company and is subject to continuous improvement with regard to the measures, structures and processes taken.

#### **5.2 Anti-corruption and prevention of money laundering activities**

Corruption and economic crime (e.g. infidelity or fraud) will not be tolerated in any form. Our business partners and the persons acting on their behalf do not actively offer, promise or grant advantages (bribery, granting of advantages), nor do they passively request, allow themselves to be promised or accept advantages (bribery, acceptance of advantages) with the aim of obtaining an order or other preferential treatment. Invitations or gifts are not misused as a means of exerting influence.

Our business partners comply with the applicable legal obligations to prevent money laundering and do not participate directly or indirectly in money laundering activities.

#### **5.3 Taxes and correct accounting**

Compliance with tax regulations is consistently implemented by our business partners. Furthermore, truthful and complete accounting is carried out for all business activities.

#### **5.4 Antitrust and competition law**

Our business partners omit any unlawful conduct, such as agreements with competitors to restrict or distort fair competition or the free market and comply with all antitrust and competition laws.

### **5.5 Customs and foreign trade law**

Our business partners comply with national and international customs laws as well as foreign trade, anti-terrorism and embargo regulations. They commit to follow the respective applicable restrictions and prohibitions on foreign and domestic trade in certain goods, technologies or services as well as countries and persons.

### **5.6 Avoiding conflicts of interest**

All actions and decisions must be based on objective criteria. For this purpose, our business partners create the necessary conditions, by avoiding conflicts of interest with private or other economic activities and by countering any appearance of such conflicts with maximum transparency. If a conflict of interest arises in the context of collaboration with EnBW, it must be reported to EnBW and eliminated immediately after discovery.

### **5.7 Protection of confidential information, third-party property rights and data protection**

Our business partners commit to respect company secrets and other property rights of third parties and to protect personal data. This also includes handling shared documents with care and keeping data and non-published information safe and protecting it against unauthorized access by third parties. The corresponding applicable data protection regulations must be followed.

## **6. MONITORING COMPLIANCE WITH THE SUPPLIER CODE OF CONDUCT**

Our aim is to establish long-term supplier relationships based on trust. Therefore, we work together with our business partners and in the supply chain to develop approaches and solutions for compliance with the Supplier Code of Conduct, which will secure our cooperation and make it more sustainable.

### **6.1 Checking compliance with the Supplier Code of Conduct**

EnBW can verify compliance with the Supplier Code of Conduct at any time by measures such as self-assessments by suppliers, presentation of certificates and information by third parties. Furthermore, the business partner permits EnBW to proof compliance with the principles of the Supplier Code of Conduct by means of an on-site audit (on the business partner's site, on construction sites or at any locations where services are provided on behalf of the business partner). The audit can be conducted during normal business hours, If necessary, also without prior notice. Audits may be carried out by EnBW or by third parties commissioned by EnBW.

### **6.2 Mechanism in case of non-compliance**

If violations of the present principles and requirements of this Supplier Code of Conduct are discovered, the business partner commits to take remedial or improvement measures in coordination with EnBW within a reasonable period of time.

Violations by the business partner against the principles and requirements of this Supplier Code of Conduct are considered a significant breach of the contractual relationship. In the event of non-compliance with the Supplier Code of Conduct and failure to agree to remedial or improvement measures, EnBW is entitled to suspend the business relationship in whole or in part and, in the event of continued non-compliance, to terminate it extraordinarily after setting a reasonable deadline.



## 7. CONTACT AND COMPLAINT HANDLING

Complaints Mechanism	General questions
<p>Business partners and their employees can use EnBW's central contact point for reporting compliance violations or suspected violations or breaches of the principles of this Supplier Code of Conduct. EnBW's regulations define clear responsibilities and processes for the clarification of hints, guarantee confidentiality and offer the greatest possible protection for all parties involved.</p>	<p>If you have any general questions regarding the Supplier Code of Conduct, please do not hesitate to contact us.</p>
<p><a href="mailto:verdachtsfallmeldungen@enbw.com">verdachtsfallmeldungen@enbw.com</a></p> <p><b>Internal contact point:</b></p> <p>Iris Schmitz-Kleinhenz            Compliance Officer            Phone: +49 721 63-12376            Fax: +49 721 63-23096            E-Mail: <a href="mailto:i.schmitz-kleinhenz@enbw.com">i.schmitz-kleinhenz@enbw.com</a>            Durlacher Allee 93            D - 76131 Karlsruhe</p> <p><b>Ombudsman as external contact point:</b></p> <p>EnBW's ombudsman is attorney and senior partner at Knierim-Huber Rechtsanwälte, bound to professional discretion, and thus guaranteeing confidentiality and complete anonymity.</p> <p>Thomas C. Knierim, Attorney            Knierim Huber Rechtsanwälte            Phone: +49 6131 8382121            Fax: +49 6131 9065599            E-Mail: <a href="mailto:enbw@knierim-huber.com">enbw@knierim-huber.com</a>            Wallstr. 1            D - 55122 Mainz</p>	<p><a href="mailto:supplychainsustainability@enbw.com">supplychainsustainability@enbw.com</a></p>

### Imprint

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version 1.0

ANNEX

OVERVIEW OF STANDARDS AND GUIDELINES

<p><b>Universal Declaration of Human Rights</b> <a href="#">Link</a></p>	<p>The Universal Declaration of Human Rights is the basis for the worldwide recognition of human rights and for the requirement of their implementation.</p>
<p><b>ILO Core Labour Standards</b> <a href="#">Link</a></p>	<p>The International Labour Organization (ILO), a specialised agency of the United Nations, has set itself the goal of promoting social justice as well as human and labour rights worldwide.</p> <p>The minimum requirements for decent working conditions are summarised in the eight ILO core labour standards. These core labour standards describe the following basic principles: freedom of association and the right to collective bargaining, the elimination of forced labour and the abolition of child labour, and the prohibition of discrimination in employment and occupation. More than 140 countries worldwide have transposed the eight core labour standards into national law.</p>
<p><b>OECD Guidelines for Multinational Enterprises</b> <a href="#">Link</a></p>	<p>The OECD Guidelines are one of the most important international instruments for promoting good governance. The Guidelines describe what is expected of companies in their global activities when dealing with trade unions, environmental protection, fighting corruption or protecting consumer interests.</p>
<p><b>United Nations Guiding Principles on Business and Human Rights</b> <a href="#">Link</a></p>	<p>The UN Guiding Principles on Business and Human Rights are based on three pillars for the protection of human rights: these include the duty of states to protect human rights, the duty of companies to respect human rights, and the right to reparation for those affected by human rights violations by economic actors.</p>
<p><b>UN Declaration on the Rights of Indigenous Peoples and ILO Convention 169 - Convention</b></p>	<p>The International Labour Organization (ILO) Convention 169 on "Indigenous and Tribal</p>

<p><b>on Indigenous and Tribal Peoples in Independent Countries</b></p> <p>United Nations Declaration on the rights of indigenous peoples:  <a href="#">Link</a></p> <p>Convention on Indigenous and Tribal Peoples in Independent Countries:  <a href="#">Link</a></p>	<p>Peoples in Independent Countries" (Indigenous and Tribal Peoples Convention) and the United Nations Declaration on the Rights of Indigenous Peoples are the world's most important reference frameworks for the protection of the rights of indigenous peoples.</p>
<p><b>10 principles of the Global Compact</b></p> <p><a href="#">Link</a></p>	<p>The United Nations Global Compact is the world's largest initiative for responsible corporate governance. Member companies commit themselves to ten universal guiding principles on human rights, labour standards, the environment and the prevention of corruption.</p>
<p><b>Paris Climate Change Agreement</b></p> <p><a href="#">Link</a></p>	<p>The Convention includes a global action plan to limit global warming to considerably below 2°C in order to counteract dangerous climate change.</p>
<p><b>Sustainable Development Goals (SDGs)</b></p> <p><a href="#">Link</a></p>	<p>Throughout Agenda 2030, the international community wants to enable a humane life worldwide and at the same time preserve the natural foundations of life in the long term. The Agenda includes 17 global goals for sustainable development - the Sustainable Development Goals (SDGs).</p>

GLOSSARY

<b>Complaint Mechanism</b>	A transparent and accessible procedure for employees of a company to submit (anonymous) complaints, which serves to identify potential or existing violations of guidelines, labour rights or laws. Companies can either set up this system themselves or participate in external procedures.
<b>Carbon Footprint / CO<sub>2</sub> Balance</b>	Total amount of greenhouse gases and in particular carbon dioxide emitted as a result of the activities of a particular individual, an organisation or a community during a given period.
<b>Discrimination</b>	Unequal treatment and denial of the equivalence of people based on individual or group-specific characteristics, leading to systematic social disadvantage. Measures taken to remove previous discrimination (e.g. severely disabled quota, mentoring of women) are excluded.
<b>Hazardous substances</b>	Substances, mixtures or products with hazardous properties that cause acute or chronic damage to human health, are flammable, explosive or dangerous for the environment.
<b>Basic needs</b>	Minimum requirements to live in dignity, including basic goods such as food, clothing and shelter, as well as access to sanitation, education, health facilities and public transport.
<b>Antitrust Law</b>	Prohibition of agreements between companies which could impair free competition, e.g. price fixing or agreements on production volumes.
<b>Conflict Minerals</b>	Raw materials - in particular tin, tantalum, tungsten, gold, cobalt and mica - originating from conflict and risk areas according to the OECD definition. These include areas where armed conflicts are being conducted or which are in a fragile situation after conflicts.
<b>Circular economy</b>	A circular system that provides for a reduction in the use of resources, a long service life, reuse and, as a last option, recycling. It is in contrast to the traditional linear economic system with the sequence of production, use and disposal.

<b>Management system</b>	Systematic approach to the realisation of the company policy for structuring, controlling and optimising processes in the company with documentation of responsibilities and procedures.
<b>Debt bondage</b>	Slave-like dependency relationship between debtor and creditor, in which the debtor must provide his labour as security for the credit and the creditor has arbitrary power to decide on the nature or duration of the dependency.
<b>Property rights</b>	Intellectual property rights and prohibition of use by others, such as trademark law, patent law, utility model law, design protection and copyright law.
<b>Duty of care for conflict minerals</b>	Requirements for companies (EU regulation) to procure metals and minerals responsibly from areas of political conflict where human rights violations, corruption and money laundering occur more frequently; these requirements have been laid down in the OECD Due Diligence Guidance and include, for example, traceability of minerals to the mine of origin, audits and cooperation with (local) actors to prevent human rights violations.
<b>Standard working week</b>	Usual working hours per week in full time without overtime or holidays.